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EAID
SUBJECT: TFHA01: EMBASSY PORT AU PRINCE EARTHQUAKE SITREP as of 1800,
Day 12

¶1. (SBU) Summary: Street markets and grocery stores in upscale Petionville are operating. Fuel is available, causing a return of the city's traffic-clogged streets - the congestion signaling movement toward normalcy. But downtown Port-au-Prince is devastated. The GOH has assigned ministers to regions for the purpose of coordinating relief efforts. AID reports that all 14 of the GOH ministry buildings it inspected are destroyed or unusable. The airport terminal building is also severely damaged. Banks and wire transfer companies are beginning to disburse funds; customers are orderly.

¶2. (SBU) Summary continued: Approximately 30-40% of the garment industry's production capacity has been damaged. Garment factories that are operating will exhaust their raw materials in two weeks, and fear losing large buyers if materials are not received and production maintained. Damaged port facilities in Port-au-Prince are forcing some producers to ship materials and finished products via the Dominican Republic, which adds significant cost. End summary.

ATMOSPHERICS

¶3. (SBU) Street markets in the upscale suburb of Petionville are full of goods from the countryside, and supermarkets that have not collapsed are full of imported goods and customers. Market prices have reportedly not risen significantly, which reflects the fact that the supply of produce from surrounding farms has not been disrupted. Streets are full with traffic, worse now with large numbers of relief worker and military vehicles added to the mix. Fuel is readily available with few lines. The second of the two fuel terminals will come on line in two days and thus will be ready to refill the tank farm before it runs out of fuel. One can see in many places the return of Haitian street food, cooked over charcoal and sold to pedestrians.

¶4. (SBU) None of this applies to downtown Port au Prince. With makeshift tents on the Champs de Mars (the equivalent of the National Mall in DC) and in every vacant lot, it is a very changed place from the overcrowded bustling commercial area it once was. Approximately one in three buildings are totally destroyed, with others teetering on collapse. Piles of rubble fill the streets, which are devoid of traffic. There are only a few dusty pedestrians wandering from ruin to ruin looking for something to

salvage. No established brick and mortar businesses have reopened downtown, and most of the sidewalk vendors have moved elsewhere. The government has a tough decision ahead on whether to rebuild the devastated city center or build a new one in another location.

GOH ASSIGNS MINISTERS TO REGIONS FOR RELIEF COORDINATION

15. (SBU) The GOH announced that it has assigned one minister to each area listed below for coordination of activity in support of mayors and relief teams:

???? Port-au-Prince: Yves Cristallin (Minister of Social Affairs)

???? Delmas: Marjorie Michel (Minister of Womens Affairs)

???? Carrefour: Carol Joseph (Secretary of State for Literacy)

???? P????tionville, Kenskoff: Josselyne Colimon
F????thi????res
(Minister of Commerce and Industry)

???? Tabarre, Croix des Bouquets : Delisss???? (Secretary of State for Plant Production)

???? Cit???? Soleil: Joseph Jasmin (Minister for Parliamentary Relations)

???? Gressier, L????ogane, Grand-Go????ve, Petit-Go????ve:
Jean-Marie
Germain (Minister of Environment)

???? Cabaret : Paul Antoine BienAim???? (Minister of Interior)

* Jacmel and surrounding area: Edwin Paraison (Minister of Haitians Living Abroad)

ENGINEERS REPORT ON STATUS OF GOH BUILDINGS

16. (SBU) An inspection team comprised of USAID and GOH representatives inspected 14 ministry buildings. Twelve buildings completely collapsed and two buildings are partially standing and considered not useable. The only building not inspected was the Ministry of Agriculture building, but reports indicate that it is sound.

17. (SBU) The airport terminal building suffered extensive structural damage to concrete posts, beams and walls throughout the entire building, with the exception of the passenger area and the movable walkway tubes that connect the waiting areas to the aircraft. The control tower sustained extensive structural damage.

ECONOMIC RECOVERY

18. (SBU) Western Union has agreed to waive all of its transfer fees for large NGO payouts, as well as smaller payouts to individuals. USAID, in coordination with other agencies, agreed to move \$2M to recapitalize Fonkoze, the remittance transfer agency that puts cash in hand for some of the most vulnerable populations in Haiti. Upon arrival in Port-au-Prince, Fonkoze began to distribute cash to nine locations around the country. Pursuant to

President Preval's order, banks began to open on January 23. Lines outside banks, as well as transfer centers, are long but calm, and the large crowds are orderly, with MINUSTAH soldiers on foot patrol at some locations.

¶9. (SBU) EmbOff met on January 25 with Georges Sassine, Executive Director of CTMO-HOPE (the HOPE 2 Implementation Commission) at the SONAPI Industrial Park near downtown Port-au-Prince to assess the state of Haiti's apparel assembly sector. Prior to the earthquake there were 25 factories employing 28,000 workers in the apparel assembly sector in Haiti. Eleven factories are located at SONAPI employing 18,000 workers. Only one of the factories at SONAPI was badly damaged, and the other ten factories are starting to re-open. Some re-opened on January 20, and all are expected to resume operations again on January 25. A preliminary assessment of the 14 factories outside of SONAPI revealed that eight have sustained damage, three are undamaged, and three have not been assessed. Mr. Sassine estimated that approximately 30-40% of the industry's production capacity has been damaged.

¶10. (SBU) As of January 22, the factories had enough raw material to maintain production and fill orders for approximately two weeks. After that time, producers must have raw material or they fear that large high-volume customers such as Wal-Mart will begin sourcing their orders from other production sites. Because the port of Port-au-Prince is severely damaged and operating at only 30% capacity, the manufacturers are using the port of Rio Haina on the southwest coast of the Dominican Republic to ship and receive their containers. However, this has added an additional transport cost of about USD 1,000 per container.

¶11. (SBU) Comment: The apparel manufacturers in Haiti operate on a high volume, thin margin, low capitalization basis where cash flow is extremely important for the business to survive. Sassine said that the industry would greatly benefit from a "soft loan" fund of USD 20 million for their immediate working capital cash needs. The "soft loan" fund would grant concessionary loans with an extended grace period and affordable interest rates to enable manufacturers to operate at full capacity as soon as possible, retain the 28,000 workers already employed, and expand production to benefit under the special trade provisions of the HOPE II Act. End comment.

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